

AIRPORT COMMISSION

MINUTES

**Wednesday August 7, 2024
Lindbergh Conference Room
In Person and via Teleconference**

Members Present: Chairperson Hamm-Niebruegge, Mr. Bales, Judge Clarke (Ret), Mr. King, Mr. Lents, Dr. Moore

Via Teleconference: Mr. Bowman, Mr. Cantwell, Mr. Fitzgerald, Ms. Fowler, Comptroller Green, President Green, Dr. Nemanick, Ms. Osborn

Absent: Alderman Cohn, Mr. Jacobs, Mr. Kling

Airport Staff: Mr. Beckmann, Ms. Bruce, Chief Collins, Ms. Jones, Mr. Jungk, Mr. Kulinsky, Mr. Lotz, Ms. Lyles-Wiggins, Mr. Kinsey, Ms. Ruth, Mr. Salarano and Mr. Strong

Legal Staff: Mr. Chavarria, Mr. Henderson and Ms. Yoffie

The meeting was called to order at 2:00pm.

1. MINUTES

- A. Approval is requested for the Minutes of the July 3, 2024 Regular Airport Commission Meeting. A motion for approval of the minutes was made by Mr. King and seconded by Mr. Bales. There being no discussion, a voice vote was taken and the motion carried.

2. OPERATIONS

- A. Approval is requested for a Cooperative Service Agreement with the United States Department of Agriculture. The term of this Agreement is three years beginning January 1, 2025 and ending December 31, 2027. The Contract Not-To-Exceed amount of this Agreement is \$1,098,000.

A motion for approval was made by Mr. Bales and seconded by Mr. Lents. Mr. Kulinsky made a brief presentation explaining the agreement. There being no questions, a voice vote was taken and the motion carried.

- B. Approval is requested for a Professional Services Agreement with Weathernet, LLC. The term of this agreement will begin on September 1, 2024 and end on August 31, 2027. The

Contract Not-To-Exceed amount is \$133,200.

A motion for approval was made by Mr. Lents and seconded by Dr. Moore. Mr. Kulinsky made a brief presentation regarding the contract. Dr. Nemanick asked a question regarding why the contract amount reflected a 21% increase in cost. Mr. Kulinsky answered that the increased cost reflected increased staffing costs for the contractor. Director Hamm-Niebruegge indicated that Weathernet has done their best through the life of the contract to keep costs low, and this increase was anticipated and unavoidable. There being no further questions, a voice vote was taken and the motion carried.

3. PROPERTIES

- A. Approval is requested for a Space Permit with the Bi-State Development Agency. The term of this Space Permit is three (3) years beginning November 1, 2024 and ending October 31, 2027. Either party may terminate this Permit upon thirty (30) days' notice.

A motion for approval was made by Mr. Lents and seconded by Mr. Bales. Mr. Salarano made a brief presentation regarding the contract. There being no questions, a voice vote was taken and the motion carried with Dr. Moore abstaining.

- B. Approval is requested for a Space Permit with Jett Pro STL, Inc. The term of this Space Permit is seventeen (17) months beginning August 1, 2024 and ending December 31, 2025. Either party may terminate the Permit upon 30 days' notice.

A motion for approval was made by Mr. Bales and seconded by Mr. Lents. Mr. Salarano made a brief presentation regarding the contract. There being no questions, a voice vote was taken and the motion carried.

- C. Approval is requested for an Airline Operating Agreement and Terminal Building Space Permit with Cargo Addendum with Kalitta Charters II, LLC. The term of this Agreement begins on August 1, 2024 and ends on June 30, 2025. Either party may terminate this Agreement upon thirty (30) days' notice.

A motion for approval was made by Mr. King and seconded by Mr. Lents. Mr. Salarano made a brief presentation regarding the contract. There being no questions, a voice vote was taken and the motion carried.

4. MARKETING

- A. Approval is requested for a Professional Service Agreement with Airport Strategy and Marketing LTD (ASM). The term of the Agreement will begin on September 1, 2024 and end on August 31, 2027. The Contract Not-To-Exceed amount is \$825,000.

A motion for approval was made by Dr. Nemanick and seconded by Mr. King. Mr. Kinsey made a brief presentation regarding the contract. Mr. Lents asked how long ASM has held this contract. Mr. Kinsey answered that ASM has held this contract for the past three years. Prior to that a different firm held the contract. Commissioner Lents then asked if

there had been any scope or price changes to the contract. Mr. Kinsey answered that both were broadly consistent with the previous contract. Dr. Moore then asked how success was measured under this contract. Mr. Kinsey answered that the Airport has increased its seat capacity, now the highest it has ever been. The Airport is seeing a 10% per year increase in the number of seats being offered on flights in St. Louis. The Airport is also seeing a substantial increase in ticketing. The Airport will surpass its peak passenger totals from 2019 this year. Those are the indicators which the Airport looks at in order to measure success under this contract. There being no further questions, a voice vote was taken and the motion carried.

5. ORDINANCE

- A. Approval is requested for a Draft Board Bill authorizing an Air Service Incentive Program for FY 2025 through FY 2027. The benefits conferred under the Incentive Program may not exceed \$3,400,000. This ordinance contains a severability clause.

A motion for approval was made by Mr. King and seconded by Mr. Lents. Mr. Kinsey made a brief presentation regarding the Air Service Incentive Program. Dr. Nemanick asked how often Airlines take advantage of the two years of incentives and then discontinue the route. Mr. Kinsey answered that the Airport has an 80% success rate at maintaining new service where incentives are offered. Should the airline stop service after receiving incentives, then the airline is required to pay the incentives back. Dr. Nemanick then asked if Avelo, which recently started service, received incentives. Mr. Kinsey answered that Avelo has not yet taken advantage of the incentive program for their New Haven flight. Mr. Lents asked whether it was the Airport or the FAA which is ultimately responsible for setting up the program incentives. Mr. Kinsey answered that the FAA sets the acceptable types of incentives to offer, and then the Airport evaluates those incentives to determine which are appropriate for St. Louis. Mr. Lents then asked how the size of the new Airport Service Incentive Program compares to the previous program. Mr. Kinsey answered that it is the same size as the last program. Based on the way in which the Airport targets new markets that is likely to be sufficient at present. There being no further questions, a voice vote was taken and the motion carried.

- B. Approval is requested for a Draft Board Bill authorizing the funding in part of the Air Service Incentive Program (the Program) for FY 2025 through FY 2027 by transferring \$1,000,000 from the Airport Development Fund to the Airport Contingency Fund and then from the Airport Contingency Fund into the Airport Revenue Fund in an amount not to exceed \$1,000,000 to make funds available for payments to airlines as authorized under the Program. The benefits conferred under the Program may not exceed \$3,400,000. The Draft Board Bill also authorizes supplemental transfers, when authorized by ordinance, as funds become available to continue the Program.

A motion for approval was made by Mr. Bales and seconded by Dr. Nemanick. Mr. Strong made a brief presentation regarding the contract. There being no questions, a voice vote was taken and the motion carried.

6. OTHER BUSINESS

- A. Memorandum Listing Service Agreements Equal to or Less than \$10,000 executed within the last twelve (12) months (No action required, no applicable service agreements have been executed within the last 12 months)
- B. Memorandum listing Film/Photography Permits Executed with the last twelve (12) months (No action required, no Film/Photography permits have been executed within the last 12 months)

Judge Clarke asked what the film permits cover. Chairperson Hamm-Niebruegge explained that if a company wants to film scenes or B-roll at the Airport they need a film permit. In the past movies and documentaries have requested them.

C. All Other Business

After the two memoranda, the Chair moved to other announcements. The Airport is beginning to make progress on its vacancy rate. Presuming all interviews result in hirings, the vacancy rate should drop from 24-20%. The Shake Shack is now open in Terminal 2. Thus far it has been a resounding success with the only complaint being long lines. The Starbucks next door is also reopening it is now much larger. Peacemaker will go under construction next month and the NASCAR Restaurant is now open on C concourse. Final numbers are in for June, the Airport exceeded last year's numbers by 10%, the 2019 numbers by 5%. The July checkpoint numbers exceeded 2019 by 60,000 passengers. The July numbers will push the Airport ahead of 2019's year to date numbers. Based on projections, the Airport should surpass 16 million passengers this year.

The Airport hosted a NEPA open house last night. This is the last open house before the results of the NEPA are announced. The airport needs to have environmental approval before projects start, which the airport indicated to the Airlines could be completed by September. A number of team members did presentations, all the staff presentations were excellent. The Airport hopes to have a no significant impact finding in September.

The Airport officially has seven signatories to the 3rd amendment to the AUA and will now execute the amendment. Central Utility Plant and the new De-Icing facilities are out for design. The Airport has hired an executive program manager to assist Jerry and his team. The RFQ for the program manager is going out soon. The Art of travel is coming up on October 10th.

Commissioner Osborn then addressed the upcoming transition of the M/WBE program from Airport BDD to SLDC. She expressed that businesses in the metro remain apprehensive about the transition, given that the reason that the program was originally contracted from SLDC to the Airport was the difficulties SLDC had in implementing the program. The Chair replied that while she understands the business community's concerns when Neil Richardson opened the Empowerment Center, part of the aim was to centralize all City employer outreach programs. He is cognizant of the business community's concerns and is looking forward to running a successful M/WBE program.

7. **NEXT MEETING**

Wednesday September 4, 2024

ADJOURNMENT

The foregoing were approved by the Airport Commission at its Regular Meeting held on September 4, 2024.



Rhonda Hamm-Niebruegge
Chairperson